

Date of Hearing: July 16, 2025

ASSEMBLY COMMITTEE ON INSURANCE

Lisa Calderon, Chair

SB 447 (Umberg) – As Amended June 23, 2025

SENATE VOTE: 38-0

SUBJECT: Workers' compensation: death benefits

SUMMARY: This bill increases the age, from 21 to 26 that minor dependents are able to continue to receive health benefits under the workers' compensation death benefits coverage when specified firefighters, peace officers, or Orange County Sheriff's Special Officers die in the line of duty.

EXISTING LAW:

- 1) Establishes a comprehensive system of workers' compensation that provides a range of benefits for an employee who suffers from an injury or illness that arises out of and in the course of employment, regardless of fault. This system requires all employers to insure payment of benefits by either securing the consent of the Department of Industrial Relations to self-insure or by obtaining insurance from a company authorized by the state. (Labor Code §§3200-6002)
- 2) Provides workers' compensation death benefits if an employee dies from a work-related injury or illness. These include payments to a spouse, children, or any other dependent, as specified, as well as reasonable burial expenses, not exceeding \$5,000 for injuries before January 1, 2013 and \$10,000 for injuries on or after January 1, 2013. The amount of the death benefit depends on the number of total and/or partial dependents. (Labor Code §§4700-4709)
- 3) Requires the employer of a local employee who is a specified peace officer, firefighter, or Sheriff's Special Officer of the County of Orange and is killed in the performance of their duty or dies as a result of an accident or injury caused by external violence or physical force incurred in the performance of their duty to continue to provide health benefits to the deceased employee's spouse under the same terms and conditions provided prior to the death, or prior to the accident or injury that caused the death. However, the surviving spouse may elect to receive a lump-sum in lieu of monthly benefits. Minor dependents shall continue to receive benefits under the coverage extended to the surviving spouse or, if there is no surviving spouse, until the age of 21 years. (Labor Code §4856)

FISCAL EFFECT: Undetermined

COMMENTS:

- 1) *Purpose.* According to the author, "In California, minor dependents of peace officers and firefighters who were killed in the line of can receive employer health benefits until they reach the age of 21. The age of 21 was originally chosen to stay in alignment with the age in which dependent children were allowed to stay on their parents' health insurance. In 2010, when the Affordable Care Act (ACA) was passed, the age limit requirement was raised to 26.

However, California law has not kept up with Federal law and the age still remains at 21. While employers of firefighters or peace officers generally honor the 26-year age limit of the ACA, there is nothing in California law that prevents them from capping the age that minor dependents receive health benefits at 21. It remains a real possibility that these children whose parents died in the line of duty will be left without the health benefits they were previously guaranteed. Allowing minor dependents of deceased peace officers and firefighters to access health benefits until they are 26 would be a small but greatly impactful gesture that would align the age with the ACA's requirement. The ACA increased the age to 26 to account for the financial instability and career volatility that many young adults experience. For those who lost a parent in the line of duty, there may be extra challenges to securing financial stability in early adulthood."

- 2) *Workers' compensation death benefits.* If an employee dies from a work-related injury or illness, death benefits are available as payments to a spouse, children, or any other dependent. This includes reasonable burial expenses, not exceeding \$5,000 for injuries before January 1, 2013 and \$10,000 for injuries on or after January 1, 2013. The amount of the death benefit depends on the number of total and/or partial dependents. In the case of one or more totally dependent minors, after the first payment, death benefits will continue until the youngest minor's 18th birthday. Death benefits are paid at the temporary total disability rate (TTD), but not less than \$224.00 per week. In January 2025, the Division of Workers' Compensation announced that the minimum TTD rate increased from \$242.86 to \$252.03, and the maximum TTD rate increased from \$1,619.15 to \$1,680.29 per week.
- 3) *Additional health benefits for minor dependents of peace officers and firefighters*
Employers of specified firefighters, peace officers, or Orange County Sheriff's Special Officers that die in the line of duty are also required to continue providing health benefits to the deceased employees' spouse under the same terms and conditions provided prior to the employee's death or prior to the accident or injury that caused the death. The surviving spouse may elect to receive a lump-sum survivor's benefit instead of monthly benefits. Minor dependents also are entitled to continue to receive health benefits under the coverage that is provided to the surviving spouse or if there is no surviving spouse, until the dependent turns 21 years of age. This bill proposes to increase that age to 26.
- 4) *Health Benefits.* In 2010, the Patient Protection and Affordable Care Act, also known as the Affordable Care Act (ACA) was enacted as a comprehensive health care reform law. Before the ACA, many health plans and issuers could remove adult children from their parents' coverage because of their age, whether or not they were a student or where they lived. The ACA requires plans and issuers that offer dependent child coverage to make the coverage available until the adult child reaches the age of 26. Now, many parents and their children who worried about losing health coverage after they graduated from college no longer have to worry. This rule applies to all plans in the individual market and to all employer plans.

REGISTERED SUPPORT / OPPOSITION:

Support

Aocds

Association for Los Angeles Deputy Sheriffs (ALADS)

Association of Orange County Deputy Sheriffs

California Fraternal Order of Police
California Professional Firefighters
California Statewide Law Enforcement Association
Long Beach Police Officers Association
Los Angeles County Professional Peace Officers Association
Sacramento County Deputy Sheriffs Association
Sheriff's Employee Benefits Association (SEBA)

Opposition

None on file.

Analysis Prepared by: Paul Riches / INS. / (916) 319-2086